

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

SRI ENERGY LLC,

Plaintiff,

-v-

CLEAN ENERGY NEXUS LLC,

Defendant.


22-CV-10431 (JMF)

ORDER

JESSE M. FURMAN, United States District Judge:

During the default judgment hearing this afternoon, Plaintiff should be prepared to address whether the Court has authority to grant default judgment given the uncertainty with respect to subject-matter jurisdiction and, if not, how to proceed. In its memorandum of law, Plaintiff argues that “refusal to engage in jurisdictional discovery can justify a sanction of the adverse inference of the existence of jurisdiction.” ECF No. 24, at 4. But the cases cited for that proposition involved *personal*, not *subject-matter*, jurisdiction — and there is a fundamental distinction between the two concepts. *See Ins. Corp. of Ireland v. Compagnie des Bauxites de Guinee*, 456 U.S. 694, 701-02 (1982). Indeed, the Supreme Court’s decision in *Bauxites* suggests, if not holds, that a court may *not* assume *subject-matter* jurisdiction based on a party’s failure to comply with jurisdictional discovery. *See also Sys. Techs. Res. Inc. v. United Vision Sols., LLC*, No. 16-CV-30138, 2018 WL 3853717, at *3 (D. Mass. June 18, 2018) (recommending that because “*Insurance Corp. of Ireland* does not support the authority of the court to impose a finding of subject-matter jurisdiction as a discovery sanction” that the district court deny such a sanction and instead issue a further order directing the production of documents and testimony), *report and recommendation adopted*, 2018 WL 11467953 (D. Mass. July 5, 2018); *see also Sys. Techs. Res., Inc. v. United Vision Sols., LLC*, No. 16-CV-30138, 2020 WL 263555, at *1 (D. Mass. Jan. 17, 2020) (explaining the further history of the case, namely that after a defendant and his wife “failed to appear for a show cause hearing, this court found them in civil contempt and issued warrants for their arrest so that they could be brought to the courthouse to be deposed,” and the court, after they were deposed, found subject-matter jurisdiction and entered a default judgment).

SO ORDERED.

Dated: May 2, 2023
New York, New York

 JESSE M. FURMAN
 United States District Judge